

Background

The Governor signed Executive Order S-3-05 (EO) on June 1, 2005. This EO established statewide greenhouse gas (GHG) emission stabilization and reduction targets and directed the Secretary of CalEPA to lead a cabinet-level effort to ensure the targets are met. The EO directed the Secretary of CalEPA to report to the Governor and the Legislature in January 2006 and biennially thereafter on progress made toward meeting the GHG targets. This report must include an analysis of the impacts of global warming on California and adaptation plans to address these impacts. California has a history of environmental leadership and there are currently a number of GHG emission reduction strategies that are underway in the state. This report will include a recommended list of additional GHG emission reduction strategies and options for a "cap-and-trade" program in California. To meet the directives established by the EO, Secretary Lloyd has created a Climate Action Team. This Team is made up of representatives from across state agencies including Business, Transportation and Housing, Department of Food and Agriculture, State Consumer Services Agency, Resources Agency and the Public Utilities Commission.

Climate Action Team

The Climate Action Team meets monthly and has established a work plan and subgroups to enact the directives of the EO. Each of the agencies participating in the Climate Action Team has been assigned the task of evaluating GHG emission reduction strategies, in addition to those already underway, that could be implemented by the respective agencies. The agencies are charged with developing a work plan, timeline and cost and benefit analysis for these additional GHG emission reduction strategies. By September, the Climate Action Team will evaluate the additional GHG emission reduction strategies and determine which should be pursued in order to meet the GHG target established by the Governor. The Climate Action Team will also identify new legislation and/or statute changes that would be needed to implement GHG emission reduction strategies.

The Climate Action Team has two subgroups that are charged with developing content for the report to the Governor and Legislature.

Scenario Analysis Subgroup

The first subgroup is considering the impacts of climate change on the state and developing adaptation plans to address those impacts. This subgroup will specifically focus on the impacts of climate change on public health, water quality and availability, agriculture, coastlines and forests and will, to the extent possible, present adaptation plans to help combat adverse impacts. This subgroup is working with world-renowned scientists considered experts in the study of climate change and is building on research funded by the Public Interest Energy Research (PIER) program and the Virtual Climate Research Center. The scientific experts, in cooperation with representatives from the Climate Action Team, will prepare a report which will inform the January 2006 report to the Governor and Legislature. The January 2006 report from this subgroup represents a significant first step in the analysis of potential impacts and adaptation plans to address those impacts. This group is expected to continue forward beyond January 2006 to further evaluate impacts and adaptation plans for the future and inform the biennial reports to the Governor and Legislature.

Cap and Trade Subgroup

The second subgroup is evaluating options for cap and trade programs in California. This group is evaluating three options in addition to the option of no cap and trade program in the state. The three options currently being evaluated are utility only, multi-sector and multi-sector with offsets. In addition, this group is evaluating the overarching considerations in the development of cap and trade programs, particularly with regards to a single-state program. The overarching considerations include inventory development, establishing caps and allocating emission credits.

Public Process

The public process being followed for the development of the January 2006 report to the Governor and Legislature will include public workshops and stakeholder meetings.

Workshops (Four to be held)

Two workshops will be hosted by the full Climate Action Team. The Climate Action Team will provide the public with a summary report on the status of the Team's work and will invite public comment and dialogue. These two workshops are scheduled for September 13 and the December 13.

The cap and trade subgroup will hold a workshop September 28. The subgroup will provide a summary report on the status of the subgroup's work and invite public comment and dialogue.

The scenario analysis subgroup will hold a workshop in first week of December. The subgroup will provide a summary report on the status of the subgroup's work and invite public comment and dialogue.

Stakeholder Briefings and Meetings

The Climate Action Team will brief local governments, non-governmental and industry stakeholders throughout the development of the report to the Governor and Legislature. Unlike the workshops, these briefings are intended to update stakeholders and invite comment and dialogue on specific stakeholder issues. The Climate Action Team and the subgroups will also meet with and contact stakeholders informally throughout the process as needed and/or requested.

Environmental Justice Outreach

Representatives of the Climate Action Team will be attending at least four environmental justice stakeholder meetings to brief the environmental justice community representatives on the effort and to invite comment and dialogue. Climate Action Team representatives will travel to communities with environmental justice concerns in the northern, central and southern regions of the state.

Legislative Briefings

Governor Schwarzenegger stated in his announcement of the signing of the EO, "I am very proud of California's leadership in the fight against global warming. An important part of that great leadership is our State Legislature and I look forward to working closely with them to achieve these new goals." The Secretary of CalEPA and/or representatives of the Climate Action Team will brief the Legislature on request. A technical briefing is currently anticipated for the second week of August. Other briefings will be provided throughout the process to ensure an open forum for comment and dialogue with the Legislature.